

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1857 be amended to read as follows:

- 1 Page 3, line 27, delete "." and insert "**and any cost offsets or cost**
- 2 **shifts as a result of the cost containment measures.**".
- 3 Page 7, between lines 24 and 25, begin a new paragraph and insert:
- 4 "**(e) The board may not require prior approval of a single source**
- 5 **drug based solely on the cost of the drug.**
- 6 **(f) The use of prior authorization must be based on the**
- 7 **recommendation of the board.**".
- 8 Page 7, line 31, delete "shall" and insert "**may**".
- 9 Page 7, line 32, after "drug" delete "formulary and" and insert
- 10 "formulary. **If the office establishes a formulary,**".
- 11 Page 7, line 32, delete "board." and insert "**board in compliance**
- 12 **with 42 U.S.C. 1396r.**".
- 13 Page 9, between lines 15 and 16, begin a new paragraph and insert:
- 14 **(l) A Medicaid managed care organization may not require**
- 15 **prior approval of a single source drug based solely on the cost of**
- 16 **the drug.**
- 17 **(m) The use of prior authorization must be based on the**
- 18 **recommendation of the board.**
- 19 SECTION 14. IC 12-15-35-47, AS ADDED BY P.L.231-1999,
- 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 JULY 1, 2001]: Sec. 47. (a) This section applies to the following
- 22 changes to a formulary used by a Medicaid managed care organization
- 23 for Medicaid recipients:
- 24 (1) Removing one (1) or more drugs from the formulary.

(2) Placing new restrictions on one (1) or more drugs on the formulary.

(b) Before a Medicaid managed care organization makes a change described in subsection (a), the managed care organization shall submit the proposed change to the office.

(c) The office shall forward the proposed change to the board for the board's review and recommendation.

(d) The office shall provide at least thirty (30) days notification to the public that the board will:

(1) review the proposed change; and

(2) consider evidence and credible information provided to the board;

at the board's regular board meeting before making a recommendation to the office regarding whether the proposed change should be approved or disapproved.

(e) Based on the final recommendation of the board, the office may approve or disapprove the proposed change. If a proposed change is not disapproved within ninety (90) days after the date the managed care organization submits the proposed change to the office, the managed care organization may implement the change to the formulary.

(f) A Medicaid managed care organization:

(1) may add a drug to the managed care organization's formulary without the approval of the office; and

(2) shall notify the office of any addition to the managed care organization's formulary within thirty (30) days after making the addition.

**(g) A Medicaid managed care organization may not require prior approval of a single source drug based solely on the cost of the drug.**

**(h) The use of prior authorization must be based on the recommendation of the board."**

Page 11, between lines 22 and 23, begin a new paragraph and insert:

**"(e) Every six (6) months, the drug utilization review board established by IC 12-15-35-19 shall:**

**(1) recommend to the office of Medicaid policy and planning established by IC 12-15-1-1 those brand name drugs with generic equivalents that are to be subject to prior approval; and**

**(2) analyze:**

**(A) the cost savings achieved by the prior approval program; and**

**(B) any concerns with:**

**(i) cost shifting; and**

**(ii) lowered health outcomes;**

**as a result of the prior approval program."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1857 as printed February 16, 2001.)

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Representative Crawford